Message Text

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TO AMEMBASSY VIENNA PRIORITY AMEMBASSY MEXICO PRIORITY

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VIENNA FOR USIAEA; MEXICO FOR WILCOX

E.O. 11652: GDS

TAGS: IAEA, TECH, PARM, MNUC, MX

SUBJECT: DRAFT AGREEMENT AND PROPOSED U.S.-MEXICAN EXCHANGE OF NOTES ON RESEARCH REACTOR AND FUEL TRANSFER

REF: VIENNA 7630

1. U.S. ACCEPTS MINOR CHANGES IN DRAFT AGREEMENT TEXT PROPOSED REFTEL PARAS 1-4. CONFIDENTIAL

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2. PROPOSED TEXT OF U.S.-MEXICAN EXCHANGE OF NOTES IS GIVEN PARA 5 BELOW. MISSION REQUESTED DISCUSS WITH MEXICAN AMBASSADOR. EMBASSY AT ITS DISCRETION MAY PASS TEXTS OF DRAFT AGREEMENT AND NOTE EXCHANGE TO APPROPRIATE GOM OFFICIALS. MISSION AND EMBASSY REQUESTED ADVISE OF ANY DEVELOPMENTS. FYI. DEPENDING ON GOM REACTIONS TO TEXTS AND CONDI-

TIONS PRESCRIBED FOR PROPOSED TRANSFER, U.S. MAY WISH TO REQUEST MINOR LANGUAGE CHANGES IN DRAFT AGREEMENT, E.G. QUOTE ANY NUCLEAR MATERIAL UNQUOTE INSTEAD OF QUOTE ANY SPECIAL FISSIONABLE MATERIAL UNQUOTE IN ARTICLE 6 PARA 3, FOR CONSISTENCY WITH TERM USED IN ARTICLE 6 PARAS1 AND 2. HOWEVER, WE RECOGNIZE THAT REQUESTING CHANGES IN AGREEMENT TEXT AT THIS POINT MIGHT BE ILL-ADVISED, AND WE LEAVE THIS TO MISSION DISCRETION. END FYI.

3. PROPOSED TEXT SPELLS OUT U.S. BILATERAL SAFEGUARDS RIGHTS MORE FULLY THAN WAS CONTEMPLATED FOR INCORPORATION IN TRILATERAL AGREEMENT. DECISION WAS MADE THAT DETAILS WOULD BE DESIRABLE AND APPROPRIATE IN BILATERAL EXCHANGE, TO WHICH AGENCY WOULD NOT BE A PARTY.

- 4. NOTE AS DRAFTED WOULD BE FROM U.S. AS INITIATOR OF EXCHANGE, WITH CONFIRMING REPLY TO BE MADE BY MEXICO. IF MEXICO PREFERRED TO INITIATE EXCHANGE AND HAVE U.S. CONFIRM, ONLY CHANGE REQUIRED WOULD BE IN FINAL SUBSTANTIVE SENTENCE. IN U.S. VIEW, EXCHANGE IN VIENNA WOULD BE MOST APPROPRIATE, BUT WASHINGTON OR MEXICO CITY WOULD BE ACCEPTABLE IF MEXICO PREFERRED.
- 5. FOLLOWING IS PROPOSED NOTE TEXT:

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QUOTE I HAVE THE HONOR TO REFER TO THE AGREEMENT BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE GOVERNMENTS OF THE UNITED MEXICAN STATES AND THE UNITED STATES OF AMERICA CONCERNING THE TRANSFER OF A RESEARCH AND TRAINING REACTOR AND ENRICHED URANIUM (HEREINAFTER CALLED QUOTE THE AGREEMENT UNQUOTE) WHICH WAS SIGNED TODAY AND TO CONFIRM THE FOLLOWING UNDERSTANDINGS WHICH HAVE BEEN REACHED DURING THE DISCUSSIONS LEADING TO THE CONCLUSION OF THE AGREEMENT.

IN THE EVENT THAT MEXICO OR THE U.S. BECOMES AWARE OF CIRCUMSTANCES WHICH DEMONSTRATE THAT THE AGENCY IS FOR ANY REASON UNABLE TO APPLY SAFEGUARDS AS PROVIDED IN PARA 5 ARTICLE VI OF THE AGREEMENT, OR UNDER OTHER ARRANGEMENTS FOR THE IMPLEMENTATION OF THE AGENCY'S SAFEGUARDS RIGHTS AND RESPONSIBILITIES AS SPECIFIED IN PARA 4 OF ARTICLE VI OF THE AGREEMENT. THE FOLLOWING PROVISIONS SHALL APPLY:

A. WITH RESPECT TO THE SUPPLIED REACTOR AND ALL NUCLEAR MATEIRAL SUBJECT TO THE AGREEMENT, MEXICO AGREES THAT THE U.S. SHALL HAVE THE FOLLOWING RIGHTS.

1. TO REVIEW THE DESIGN OF

(A) THE SUPPLIED REACTOR, OR

(B) ANY EQUIPMENT OR DEVICE THE DESIGN OF WHICH THE U.S. DETERMINES TO BE RELEVANT TO THE EFFECTIVE APPLICATION OF SAFEGUARDS OR WHICH IS TO CONTAIN, USE, FABRICATE, OR PRO-

CESS ANY OF THE NUCLEAR MATERIAL SUBJECT TO THE AGREEMENT;

- 2. TO REQUIRE THE MAINTENANCE AND PRODUCTION OF OPERATING RECORDS AND TO REQUEST AND RECEIVE REPORTS FOR THE PURPOSE OF ASSISTING IN ENSURING ACCOUNTABILITY FOR SUCH MATERIAL;
- 3. TO DESIGNATE, AFTER CONSULTATION WITH MEXICO PERSONNEL WHO, ACCOMPANIED, IF EITHER PARTY SO REQUESTS, BY PERSONNEL DESIGNATED BY MEXICO, SHALL HAVE ACCESS IN MEXICO CONFIDENTIAL

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TO ALL PLACES AND DATA, THE RIGHT TO INSPECT ANY EQUIP-MENT AND THE RIGHT TO INSTALL ANY DEVICES NECESSARY TO ACCOUNT FOR THE NUCLEAR MATERIAL SUBJECT TO ARTICLE VI OF THE AGREEMENT TO DETERMINE WHETHER THERE IS COMPLIANCE WITH THAT ARTICLE AND MAKE SUCH INDEPENDENT MEASUREMENTS AS MAY BE DEEMED NECESSARY.

- B. UPON REQUEST OF THE U.S., MEXICO SHALL REPORT OR PERMIT THE IAEA TO REPORT TO THE U.S. ON THE STATUS OF ALL INVENTORIES OF ANY MATERIALS REQUIRED TO BE SAFEGUARDED UNDER THIS AGREEMENT.
- C. NOTHING IN THIS NOTE SHALL AFFECT PARAGRAPHS 1, 2, AND 3 OF ARTICLE VI OR ANY OTHER ARTICLE OF THE AGREEMENT.
- D. IN THE EVENT OF NON-COMPLIANCE WITH THE PROVISIONS OF THIS NOTE OR IN THE EVENT OF NON-COMPLIANCE WITH THE UNDERTAKING SET FORTH IN PARAGRAPH 1 OF ARTICLE VI OR WITH THE PROVISIONS SET FORTH IN PARAGRAPHS 2 AND 3 OF ARTICLE VI OF THE AGREEMENT, THE U.S. SHALL HAVE THE RIGHT TO REQUIRE RETURN OF THE SUPPLIED REACTOR AND THE SUPPLIED MATERIAL.
- 6. IF THE GOVERNMENT OF THE UNITED MEXICAN STATES CONCURS, I SUGGEST THAT THIS NOTE AND (YOUR EXCELLENCY'S) REPLY TO THAT EFFECT BE REGARDED AS PLACING THESE UNDERTAKINGS ON RECORD. VANCE

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	Margaret P. Grafeld	Declassified/Released	US Department of State	EO Systematic Review	22 May 2009
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